

Conventional DTS – Rural Property:

Duty To Serve Definition:

Defined by Freddie Mac:

Under the guidance of the Federal Housing Finance Agency (FHFA), Freddie Mac collaborated with mortgage industry stakeholders to develop the Duty to Serve plan to make financing of first-time homebuyers, manufactured housing and rural housing easier for families with very low-, low- and moderate-income, and preserve the affordability of these homes over time.

Here is a helpful link for more information if you would like to review further:

[Duty to Serve - Freddie Mac Single-Family](#)

(In House note – Freddie Delivery Code is J85)

What is the advantage of this Product?

Both Freddie Mac and FNMA have announced that borrower(s) who purchase a property, that meet these product requirements, are eligible to have all loan level price adjustments waived on their purchase or rate term refinance transaction.

Why have we created a new product code for this even though we are selling this to Freddie?

Having a new product code will help all you, our lockdesk, and our internal staff that all the requirements of the program are met.

Overlays to this product:

- 1) All household income must be at or below 100% of the Hud Median Income for county. See the link below to check your income limit.
- 2) Property must be Primary Residence
- 3) Purchase or Limited Cash Out Refinance transactions
- 4) Conv 30 Fixed Product
- 5) Can be used in combination with both Freddie Mac 97% Conventional Products.
- 6) Property must reside in a county that meets the following criteria, see Freddie Mac's link below to look up if the county qualifies:

High-needs rural region means any of the following regions provided the region is located in a rural area: (i) Middle Appalachia; (ii) The Lower Mississippi Delta; (iii) A colonia; or (iv) A tract located in a persistent poverty county and not included in Middle Appalachia, the Lower Mississippi Delta, or a colonia.

Middle Appalachia means the "central" Appalachian subregion under the Appalachian Regional Commission's subregional classification of Appalachia.

Lower Mississippi Delta means the Lower Mississippi Delta counties designated by Public Laws 100–460, 106–554, and 107–171, along with any future updates made by Congress.

Colonia means an identifiable community that meets the definition of a colonia under a federal, State, tribal, or local program.

Persistent poverty county means a county in a rural area that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the most recent successive decennial censuses.

HUD AMI Search:

HUD Income Only Link:

https://www.huduser.gov/portal/datasets/il/il2022/select_Geography.odn

Freddie Direct Income and Property Link:

[Area Median Income and Property Eligibility Tool - Freddie Mac Single-Family](#)